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SUBJECT: ARGENTINA'S PRESIDENT-ELECT GIVES REVEALING INTERVIEW

¶1. (SBU) Summary and introduction: Notoriously inaccessible to the media, Argentina's president-elect Cristina Fernandez de Kirchner (CFK) gave a lengthy interview to left-of-center, pro-government and often anti-U.S. daily "Pagina 12." The broad range of topics included her political attitudes; domestic and economic policy views; and foreign policy priorities. Frequently feisty, CFK questioned the relevance of some questions and the underlying premises of others. Defending her husband's administration, she indicated there will be more continuity than change once she takes office. She termed U.S.-Argentine relations "mature" in response to repeated probing as to whether she seeks to change the relationship. She said she was optimistic about reaching a settlement with the Paris Club. Describing herself and her husband as "neo-Keynesians," she repeatedly stated her commitment to making income distribution more progressive. She shed no light on her plans for bringing together business and labor leaders to negotiate a "social pact." End Summary.

Personal Traits -----

¶2. (SBU) During her tightly controlled campaign for the October 28 presidential election, CFK rarely granted any formal interviews to the Argentine press, presumably to limit any potential erosion of her frontrunner status. The "Pagina 12" interview, published 15 days before her inauguration, reveals a politician who is quick on her feet, handling a lot of tough questions well. She challenged the premise of a poorly-worded question about the lack of change in her Cabinet (which is roughly two-thirds the same as her husband's) by saying, "Pardon me, but do you think that the people voted for a change of government?"

¶3. (SBU) CFK showed she knows her talking points and even acknowledged that she repeats them a lot, saying "sometimes it's necessary to repeat the obvious, even when it's basic." The interview features many lines we've heard before, including her line about past methodologies to measure inflation not being the "Koran, Talmud, or Bible," and her husband Nestor's line about "the dead don't pay their debts." She also appeared comfortable with numbers, tossing them around with great confidence.

¶4. (SBU) Although the authors of the interview praised CFK for her openness and generosity, they also noted that she was a "difficult" interlocutor. When asked about one controversial GOA official, she asked rhetorically, "You always need villains, don't you?" Defending her husband's economic record, she concluded that she was

at a loss as to "what has to be done to get the media to recognize our accomplishments, because society already has." There's anti-press vituperation throughout the interview. She blamed press sensationalism for growing fears about violent crime, for example, implying that the fears are manufactured. She deflected another question saying, "Why do I need to deny something that others have invented? That does not strike me as a good methodology."

Political Attitudes

¶5. (SBU) Emphasizing the primacy of the presidency, she expressed her belief in "work with a team and in a team. If there was something positive in Kirchner's administration, it was building a government without celebrities and self-promoters." She downplayed the "vision thing," saying that governing is a "day-to-day" job where adaptability is more important than vision. "Today you announce a policy, tomorrow the circumstances change and you have to meet again to set new goals and targets." CFK argued for the institutional strength of Argentina's democracy by pointing to the vitality of the Senate and the independence of the judiciary. She noted that the Senate, despite its poor reputation, produced several winners in this year's executive races, including herself and several governors.

¶6. (SBU) The interview did not shed much light on how CFK will carry out her much-touted promise to bring together the private sector, labor and government to negotiate a "social pact" or what the pact would entail. She said it would be "structural" and "define goals and quantifiable, verifiable targets." She said her social pact would not repeat the error of the 1973 Gelbard Pact by limiting itself to wage and price controls but presumably include investment plans and productivity targets as well as infrastructure commitments. Pressed to describe the process for negotiating the pact, CFK begged "a little patience" and said she would soon "articulate the roadmap."

Foreign Policy: U.S. Relations and Other

¶7. (SBU) CFK confirmed her strong interest in foreign policy, saying that she "likes international relations a lot." In response to several questions asking whether there will be any change in relations with the U.S., she showed some exasperation but finally said, "We have a mature relationship with the U.S." Asked whether she would visit President Bush, she said, "When he called to congratulate me, he told me that possibly we'd be seeing each other after I took office. We'll see." She also said that "we have criticized the Republicans for neglecting Latin America. That was questioned by us and by all the region. The Democrats also did so, which leads us to hope that, if they win, they will have a substantially different policy." But she then specifically added that she did not want to be drawn into U.S. internal politics. (One note of interest: At a high-tech awards dinner November 27, CFK left and then re-entered the room and walked directly to the Ambassador's table with photographers in train to talk to him before leaving again.)

¶8. (SBU) She stressed a pan-Latin American message and went to great lengths to avoid having to choose between rival camps headed by Lula and Chavez. Referring to press speculation that her November 19 visit to Brazil presaged a tilt toward Lula and away from Chavez, CFK asked, "Why should closer relations with Brazil imply a distancing from Chavez or vice versa?" She dodged a question about King Juan Carlos shutting up Chavez by saying she wished the whole exchange had not taken place, and she argued that economic interests will ultimately prevail over political posturing to ensure the continuation of relations between Spain and Venezuela. (She has since announced that she will visit Spain in January.)

¶9. (SBU) As she has done before, CFK contended that Chavez was the victim of a supposed double standard applied to Latins and Europeans. She claimed that Putin is "getting away" with no international observers in the Russian election on December 2 while the Venezuelan referendum on the same day will be well covered by international observers. She also claimed that if twin brothers had come to power in Latin America (as the Kaczynskis did in Poland), international criticism of the arrangement would have been intense.

(Comment: In addition to showing her reflexive Latin American nationalist colors, CFK also revealed with this remark that she is not aware of the hammering that both Putin and the Kaczynskis have taken in the Western press in the past few years. End comment.)

Economic

¶10. (SBU) CFK indicated that her husband had at the outset of his administration a "neo-Keynesian" plan to reactivate the economy with heavy investments in infrastructure, and she proposed to follow that direction but with her focus, after the emphasis on the reestablishment of macroeconomic stability of her husband's term, on micro adjustments. This, she said, would manifest itself in more state planning, with region- and industry-specific plans that might be rolled out in January or February.

¶11. (SBU) CFK ridiculed the debate over whether to combat inflation by decelerating economic growth, arguing that growth rates or unemployment rates could not be adjusted at whim like the thermostat on an air conditioner. Claiming that her husband's administration was the first in Argentina to govern without a deficit, she asserted that their critics "are the ones who racked up Argentina's debt, driving the country to record unemployment rates and the tragedy of 2001."

¶12. (SBU) On the controversy over the manipulation by INDEC of inflation rates and other economic data, CFK did not give much ground. Citing the flaws of previous methodologies for measuring prices, she argued that "economic interests" have manipulated these indices in the past. She repeated that the GOA is adopting an "American" model for measuring inflation.

¶13. (SBU) Income distribution is something of a mantra for CFK, who repeated throughout the interview her commitment to a more even distribution of income. In listing the major issues a political party should address, the first she named was income distribution. Elsewhere, she repeatedly paired income distribution with human rights as her top priorities. She claimed that Kirchner was the first to make a dent in the Gini coefficient (making national income more progressive) and that salaried workers in 2007 had 41% of the GDP as opposed to 34% in 2003.

¶14. (SBU) On reaching a settlement with the Paris Club, CFK said she was "moderately optimistic" although repeating her standard line that European companies will bring their governments around because there is so much money to be made in Argentina.

The First Gentleman

¶15. (SBU) CFK noted that her husband is a "political animal," who has spent all his life in politics and would continue to do so upon leaving office December 10. Saying she believes in strong political parties, CFK said Kirchner will focus on building a lasting political structure. Their joint goal is to institutionalize a force that represents the largest sectors of Argentine society. After dividing Argentina's twentieth century history into three phases -- Radical, Peronist, and military -- she said that the country's dominant force in this century is still up for grabs. Her husband, she said, will use his free time to seek to develop a new political grouping that can fill this vacuum.

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